

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

UNITED STATES OF AMERICA,

Plaintiff,

v.

(1) SOLOMON FRANK-SAWARI,
(2) CHASMA DIXON, and
(3) TAMECA STOKES,
a/k/a Tameca Okrakene,

Defendants.

CR 13-16-JNE/JJG
INDICTMENT
(18 U.S.C. § 2)
(18 U.S.C. § 371)
(18 U.S.C. § 1028A)
(26 U.S.C. § 7206(2))

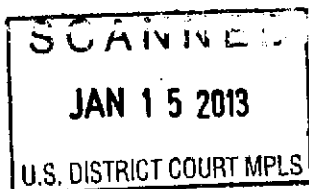
The United States Grand Jury charges that:

Background

At all times relevant to this Indictment:

1. Defendant Solomon Frank-Sawari ("SAWARI") owned and operated two tax return preparation businesses: (1) MERIT TAX SERVICE ("MERIT"), located in Robbinsdale, Minnesota; and (2) CAPITOL INCOME TAX ("CAPITOL"), located in Minneapolis, Minnesota.

2. SAWARI personally prepared and filed federal and state income tax returns for customers of MERIT, and hired others also to prepare and file federal and state income tax returns for customers of MERIT.



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RICHARD D. SLETTEN
JUDGMENT/SENTENCE
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3. SAWARI hired others to prepare and file federal and state income tax returns for customers of CAPITOL.

4. Defendant Chasma Dixon ("DIXON") worked at MERIT in about 2007, and worked at CAPITOL beginning in late 2008 or early 2009. DIXON used computers at MERIT and CAPITOL to prepare and file federal and state income tax returns for customers of MERIT and CAPITOL.

5. Defendant Tameca Stokes ("STOKES") worked at CAPITOL and used computers at CAPITOL to prepare and file federal and state income tax returns for customers of CAPITOL.

COUNT 1
(Conspiracy to Defraud the United States)

6. The Grand Jury realleges and incorporates by reference Paragraphs 1 through 5 as if fully set forth herein.

7. From at least in or about 2007 and continuing until in or about February 2010, in the State and District of Minnesota, the defendants,

**SOLOMON FRANK-SAWARI,
CHASMA DIXON, and
TAMECA STOKES,
a/k/a Tameca Okrakene,**

knowingly and willfully conspired and agreed with each other and with other persons to defraud the United States by impeding, impairing, obstructing, and defeating the lawful functions of the Internal Revenue Service of the United States

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Department of the Treasury in the ascertainment, computation, assessment, and collection of revenue, particularly, income taxes.

Purpose of the Conspiracy

8. The purpose of the conspiracy was to prepare false and fraudulent tax returns for customers of MERIT and CAPITOL that generated falsely-inflated refunds for the customers and that generated fees and other payments out of those refunds for the defendants and others.

Manner and Means of the Conspiracy

9. It was part of the conspiracy that, over the course of the tax years 2006 through 2009, the defendants and others prepared and filed hundreds of federal and state income tax returns for customers of MERIT and CAPITOL.

10. It was further part of the conspiracy that the defendants and others prepared fraudulent federal and state income tax returns for customers of MERIT and CAPITOL, which returns contained false or inflated income and/or false dependents.

11. It was further part of the conspiracy that the defendants and others reported false or inflated Schedule C business income or W-2 wage income for customers of MERIT and CAPITOL, which fraudulently qualified the customers for refundable earned income and child tax credits.

12. It was further part of the conspiracy that the defendants and others reported false dependents for customers of MERIT and CAPITOL, which fraudulently qualified the customers for a more favorable filing status as heads of household, fraudulently qualified the customers to take dependent exemptions, and fraudulently inflated the customers' refundable earned income and child tax credits.

13. It was further part of the conspiracy that the defendants and others recruited customers to MERIT and CAPITOL to prepare fraudulent federal and state income tax returns for them.

14. It was further part of the conspiracy that the defendants instructed customers of MERIT and CAPITOL to sign false income declarations and other paperwork, which the defendants kept in the MERIT and CAPITOL customer files in an effort to document and substantiate the fraudulent income tax returns that they filed.

15. It was further part of the conspiracy that the defendants and others filed tax returns for their customers electronically, such that they were transmitted in interstate commerce by means of wire communications.

16. It was further part of the conspiracy that the defendants received tax preparation fees and other payments from their customers in exchange for filing the fraudulent tax returns.

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17. It was further part of the conspiracy that, for some customers, one or more of the defendants transported or accompanied customers to check-cashing businesses to cash their falsely-inflated tax refund checks, thereby ensuring that one or more of the defendants would receive a cash payment out of the customers' fraudulent refunds, in addition to tax preparation fees that the defendants had already received.

18. It was further part of the conspiracy that the defendants and their co-conspirators prepared and filed fraudulent federal and state income tax returns that sought inflated refunds in excess of \$200,000.

Overt Acts of the Conspiracy

19. In furtherance of the conspiracy, and for the purpose of bringing about its unlawful objectives, the defendants and others committed and caused to be committed overt acts in the District of Minnesota and elsewhere, including the following acts.

20. On or about the following dates, the defendants filed or caused to be filed the following false and fraudulent federal income tax returns with the Internal Revenue Service by electronic means:

Tax Year	Date Filed	Taxpayer	Preparer(s)	False or Inflated Item(s)
2006	3/26/2007	G.M.	SAWARI	Schedule C income
2007	1/18/2008	G.M.	SAWARI	Schedule C income
2007	1/21/2008	Z.R.	SAWARI	Schedule C income
2007	1/22/2008	J.R.	SAWARI	Dependent

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Tax Year	Date Filed	Taxpayer	Preparer(s)	False or Inflated Item(s)
2008	1/16/2009	B.H.	DIXON STOKES	Schedule C income
2008	1/16/2009	T.D.	SAWARI	Schedule C income
2008	1/16/2009	Z.R.	SAWARI	Schedule C income
2008	1/16/2009	T.L.	DIXON STOKES	Schedule C income
2008	1/19/2009	J.B.	STOKES	Schedule C income
2008	1/28/2009	G.M.	SAWARI	Schedule C income
2008	2/2/2009	P.M.	SAWARI	Schedule C income
2008	3/3/2009	S.W.	SAWARI	Schedule C income
2008	3/21/2009	B.K.	DIXON STOKES	W-2 income
2008	3/26/2009	D.B.	DIXON STOKES	Schedule C income, dependent
2009	2/4/2010	J.B.	STOKES	W-2 income, dependent

21. All in violation of Title 18, United States Code, Section 371.

COUNTS 2-10

(Preparing False Income Tax Returns)

22. The Grand Jury realleges and incorporates by reference Paragraphs 1 through 5 and 7 through 20 above as if fully set forth herein.

23. On or about the dates set forth below, in the State and District of Minnesota, the defendant,

SOLOMON FRANK-SAWARI,

willfully aided and assisted in, and procured, counseled, and advised, the preparation and presentation to the Internal Revenue Service of U.S. Individual Income Tax Returns, Forms 1040 or 1040A, on behalf of the individual taxpayers

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identified below, for the tax years identified below, which returns were false and fraudulent as to the material matters identified below:

Count	Tax Year	Date Filed	Taxpayer	False Item(s)
2	2006	3/26/2007	G.M.	Reported Line 12, Business income, as \$8,760, which SAWARI then and there well knew and believed was substantially less than \$8,760
3	2007	1/18/2008	G.M.	Reported Line 12, Business income, as \$12,586, which SAWARI then and there well knew and believed was substantially less than \$12,586
4	2007	1/21/2008	Z.R.	Reported Line 12, Business income, as \$15,335, which SAWARI then and there well knew and believed was substantially less than \$15,335
5	2007	1/22/2008	J.R.	Reported Line 6(c), Dependents, as taxpayer's "nieces," D.D. and S.D., which SAWARI then and there well knew and believed were not taxpayer's legitimate dependents
6	2008	1/28/2009	G.M.	Reported Line 12, Business income, as \$16,814, which SAWARI then and there well knew and believed was substantially less than \$16,814
7	2008	2/2/2009	P.M.	Reported Line 12, Business income, as \$14,572, which SAWARI then and there well knew and believed was substantially less than \$14,572
8	2008	1/16/2009	T.D.	Reported Line 12, Business income, as \$16,077, which SAWARI then and there well knew and believed was substantially less than \$16,077
9	2008	3/3/2009	S.W.	Reported Line 12, Business income, as \$7,925, which SAWARI then and there well knew and believed was substantially less than \$7,925

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Count	Tax Year	Date Filed	Taxpayer	False Item(s)
10	2008	1/16/2009	Z.R.	Reported Line 12, Business income, as \$13,725, which SAWARI then and there well knew and believed was substantially less than \$13,725

24. All in violation of Title 26, United States Code, Section 7206(2).

COUNTS 11-15
(Preparing False Income Tax Returns)

25. The Grand Jury realleges and incorporates by reference Paragraphs 1 through 5 and 7 through 20 above as if fully set forth herein.

26. On or about the dates set forth below, in the State and District of Minnesota, the defendant,

**CHASMA DIXON and
TAMECA STOKES,
a/k/a Tameca Okrakene,**

willfully aided and assisted in, and procured, counseled, and advised, the preparation and presentation to the Internal Revenue Service of U.S. Individual Income Tax Returns, Forms 1040 or 1040EZ, on behalf of the individual taxpayers identified below, for the tax years identified below, which returns were false and fraudulent as to the material matters identified below:

Count	Tax Year	Date Filed	Taxpayer	False Item(s)
11	2008	1/16/2009	T.L.	Reported Line 12, Business income, as \$13,740, which defendants then and there well knew and believed was substantially less than \$13,740

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Count	Tax Year	Date Filed	Taxpayer	False Item(s)
12	2008	1/16/2009	B.H.	Reported Line 12, Business income, as \$13,745, which defendants then and there well knew and believed was substantially less than \$13,745
13	2008	1/19/2009	J.B.	Reported Line 12, Business income, as \$12,980, which defendants then and there well knew and believed was substantially less than \$12,980
14	2008	3/21/2009	B.K.	Reported Line 1, Wages, salaries, and tips, as \$19,985, which defendants then and there well knew and believed was substantially less than \$19,985
15	2008	3/26/2009	D.B.	Reported Line 6(c), Dependents, as taxpayer's "niece," T.W., which defendants then and there well knew and believed was not taxpayer's legitimate dependent, and reported Line 12, Business income, as \$13,580, which defendants then and there well knew and believed was substantially less than \$13,580

27. All in violation of Title 26, United States Code, Section 7206(2).

COUNT 16

(Aggravated Identity Theft)

28. The Grand Jury realleges and incorporates by reference Paragraphs 1 through 5 and 7 through 20 above as if fully set forth herein.

29. On or about January 22, 2008, in the State and District of Minnesota, the defendant,

SOLOMON FRANK-SAWARI,

knowingly transferred, possessed, and used, without lawful authority, the means of identification of other persons, to-wit: the names and social security numbers of D.D. and S.D., during and in relation to a felony violation enumerated in Title 18, United States Code, Section 1028A(c), to-wit: wire fraud, all in violation of Title 18, United States Code, Section 1028A(a)(1).

COUNT 17

(Aggravated Identity Theft)

30. The Grand Jury realleges and incorporates by reference Paragraphs 1 through 5 and 7 through 20 above as if fully set forth herein.

31. On or about March 26, 2009, in the State and District of Minnesota, the defendants,

**CHASMA DIXON and
TAMECA STOKES,
a/k/a Tameca Okrakene,**

aiding and abetting one another, knowingly transferred, possessed, and used, without lawful authority, the means of identification of another person, to-wit: the name and social security number of T.W., during and in relation to a felony violation enumerated in Title 18, United States Code, Section 1028A(c), to-wit:

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wire fraud, all in violation of Title 18, United States Code, Sections 2 and 1028A(a)(1).

A TRUE BILL

UNITED STATES ATTORNEY

FOREPERSON